



COMMONWEALTH of VIRGINIA

Philip A. Leone
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MEMORANDUM

TO: Philip A. Leone

FROM: Glen S. Tittermary

SUBJECT: Approval of New Rate for VPN Service

On October 9, 2001, the Department of Information Technology (DIT) submitted a request for approval by the Commission of a new billing element for Virtual Private Network (VPN) service. VPN is a service which provides enhanced security for data transmission across the internet. This would be an optional service for DIT's customers, and would be available as a single user PC service or as multi-user LAN (peer-to-peer) service. DIT will provide the service from a dedicated server running the Windows NT operating system.

The proposed monthly rate for an individual PC is \$16.51, and the proposed monthly rate for multi-user peer-to-peer service is \$165.15. DIT estimates that total annual revenue from the service will be about \$19,800.

Since this proposed service is optional for DIT customers, the rate fully recovers costs, and the revenue impact is minimal, I recommend that the Commission approve the rates as requested.

gst